



Defense Institute of Security Assistance Management

# ***Discrepancy Reports***



# ***Causes of Discrepancies***

- **Mistakes**
- **Mishandling**
- **Misinterpretation**
  - **Partial shipments**
  - **Missing documentation**
  - **Delivery listing does not match actual deliveries**



# ***Categories of Discrepancy Reports***

- **Product quality deficiencies**
- **Financial discrepancies**
- **Transportation discrepancies**
- **Supply discrepancies**



# ***Product Quality Deficiency Reports (PQDR)***

- **Customer reports deficient new or reworked materiel for the purpose of obtaining corrective action from Item Manager.**
- **Customer submits report on SF 368 to Item Manager**
- **No money credited to FMS case**
- **Customer must also submit SF 364, Supply Discrepancy Report for refund.**



# ***Financial Discrepancies***

**Incorrect charges/surcharges  
reflected on the LOA:**

- **Transportation costs of stock funded items to the freight forwarder**
- **Incorrect administrative percentage**
- **Nonrecurring costs waived, yet collected**
- **DTS rates charged on LOA, but transportation arranged by customer**
- **Customer submits letter/message to DFAS for correction**



# ***Transportation Discrepancies***

- **Shipper:** Item is damaged before title transfers.
- **Carrier:** Item is lost/damaged after title transfers, between point of origin and point of delivery (DTC on LOA).
- **US Representative in country** reports losses in DTS on SF 361, Transportation Discrepancy Report. No reimbursement to customer.
- **Customer** reports loss/damage on SF 364, Supply Discrepancy Report, for possible reimbursement.





# ***Supply Discrepancies***

- **Packaging discrepancies:**
  - **Overages**
  - **Shortages**
  - **Damage**
- **Insufficient remaining shelf life**
- **Incorrect items**
- **Incorrect billing: Material is received but is omitted from, or duplicated, or incorrectly reflected in:**
  - **FMS Delivery Listing**
  - **FMS Reply Listing to customer requests for adjustments**
  - **Quarterly Requisition Report**
- **Missing shipments**
  - **Entire lots or partial shipments**



# ***Supply Discrepancies***

## **Packaging:**

- **Improper packaging**
  - **container overloaded**
  - **improper distribution of contents**
- **Improper preservation**
  - **material is corroded**
- **Improper marking**
  - **identification markings omitted**
- **Improper unitization**
  - **skids or pallets omitted**
- **lack of dunnage or packing materials**



**FedEx**  
Federal Express

CAUTION  
DO NOT OPEN  
DO NOT TOUCH  
DO NOT REMOVE  
DO NOT DISCARD

C  
9  
9  
7

TARE-KT  
313-LBS  
143-KGS

UNPACKING INSTRUCTIONS  
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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D.C. 20535-0001  
AUSTRALIAN POST OFFICE  
AUSTRALIA  
AUSTRALIAN POST OFFICE  
AUSTRALIA

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49WFG

FHS



PAT002

AUSTRALIAN POST OFFICE  
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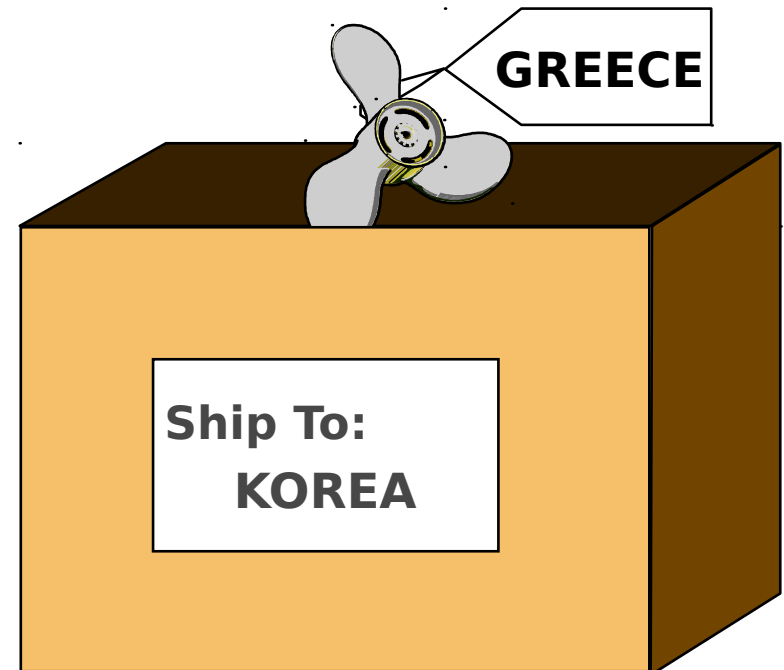
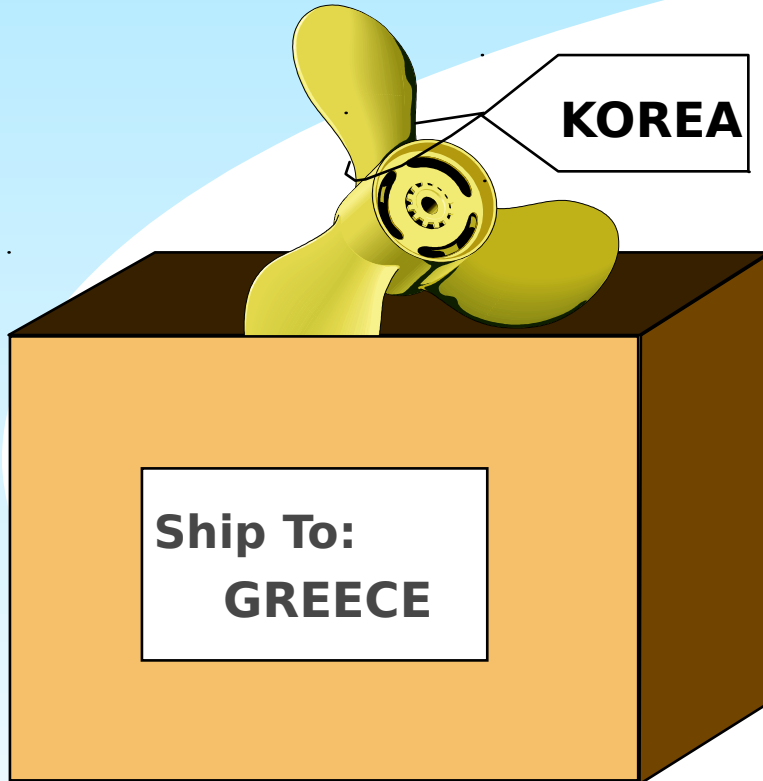


# ***DoD Shelf-Life Policy***

- **LIFO versus FIFO for international customers**
- **Type I not extendable**
- **Type II extendable with proper inspection and marking**
- **Product must have 12 months shelf-life remaining for international customers**
- **Use advice code 2G.**
- **Reference is DoD 4140.27-M, paragraph 4-10B**



# ***Incorrect Items***





# MI\$TAKES

**GY**

TRANSPORTATION CONTROL NUMBER PGYA44 0259 0001	RDD	PROJECT	TRANS PRIORITY  <b>1</b>
FROM:			PIECE NUMBER
TO: (POE when applicable)  HELLENIC LINE PIER FOOT 57TH STREET BROOKLYN NY 10230			TOTAL PIECES
POD (When applicable)			WEIGHT THIS PIECE
ULTIMATE CONSIGNEE OR MARK FOR  GREEK: AIR FORCE			CUBE THIS PIECE

**GR**



# Mislabeling FMS Material

**Label on Shipping carton...**

TRANSPORTATION CONTROL NUMBER <b>PITC4413553583XXX</b>	RDD	PROJECT	TRANS PRIORITY  <b>1</b>
FROM:			
TO: (POE when applicable)  <b>SAIMA AMERICA INC. 300 MIDDLESEX AVENUE CAETERET, NJ 07008-000</b>			PIECE NUMBER
POD (When applicable)			TOTAL PIECES
ULTIMATE CONSIGNEE OR MARK FOR  <b>ITALIAN NAVY</b>			WEIGHT THIS PIECE
			CUBE THIS PIECE

**Material & Documents inside & outside box show this...**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80															3. SHIP FROM		3. SHIP TO																																										
DOC IDENT FROM															UNIT PRICE DOLLARS CTS																																												
4. M/F																																																											
5. DOC DATE															6.		7. RATE		8. TYP CARGO		9.																																						
10. QTY REC'D															11. UP		12. UNIT WEIGH		13. UNIT CU		14. UPC		15. SL																																				
16. FREIGHT CLASSIFICATION NOMENCLATURE																																																											
17. ITEM NOMENCLATURE																																																											
18. YPT CONT															19. NO CONT		20. TOTAL WT		21. TOTAL CUBE																																								
22. RECEIVED BY																			23. DATE RECEIVED																																								
Document Number & Suffix  WK4SUK21423017 National Stock Number & Add.  5310002859768 NSN (4-6) (71-49) (71) COC (55-56) UP (74-80)  NZZEA00144A															PRINT DT: RQD DT PACK RQD DT SHIP: 2163 SERIALIZED RESTART NR: NR CASES: WT 000001 CU 000001 ORIG NSN: NALC CODE:															<b>P-LOC</b> 271-031-11-0 <b>NSN</b> 5310-00-2859768 <b>QTY</b> 00144 <b>UI</b> <b>EA</b> <b>CC</b> <b>A</b>																													
ROUTE TO PACK STATION CPCX1															ADVISE CODE: SHELF-LIFE-CODE: 0															 00317755															<b>1</b>														
LINE 001 OF 001																																																											



# ***Supply Discrepancies***

## **Billing:**

- **Material is received but is omitted from, or duplicated, or incorrectly reflected in:**
  - **FMS Delivery Listing**
  - **FMS Reply Listing to customer requests for adjustments**
  - **Quarterly Requisition Report**



# Supply Discrepancies

## Missing Shipments:

- Purchaser accepts DD Form 645 or other delivery documents as evidence that title has passed and items have been delivered (LOA paragraph 5.4)
- Standard Form 364 used to submit claims.

REPORT OF DISCREPANCY (ROD)					1. DATE OF PREPARATION		2. REPORT NUMBER						
<input type="checkbox"/> SHIPPING <input type="checkbox"/> PACKAGING													
3. TO (Name and address, include Zip Code)					4. FROM (Name and address, include Zip Code)								
5a. SHIPPER'S NAME					5b. NUMBER AND DATE OF INVOICE		5c. TRANSPORTATION DOCUMENT NUMBER (CM, Rwydet, TCN, etc.)						
5d. SHIPPER'S NUMBER (Purchase Order/Depot, Contract, etc.)			5e. OFFICE ADMINISTERING CONTRACT			5f. REQUISITIONER'S NUMBER (Appropriation, Purchase Order, etc.)							
9. SHIPPING, BILLING, AND RECEIPT DATA					10. DISCREPANCY DATA			11.					
NSN/PART NUMBER AND NOMENCLATURE	UNIT OF ISSUE	QUANTITY SHIPPED/BILLED	QUANTITY RECEIVED	QUANTITY	UNIT PRICE	TOTAL COST	CODE	AC 2 TION CODE					
1a)	1b)	1c)	1d)	1e)	1f)	1g)	1h)	1i)					
12. REMARKS (Continued on separate sheet of paper if necessary)													
1. DISCREPANCY CODES					2. ACTION CODES								
<b>CONDITION OF MATERIAL</b> C1 - Condition other than that indicated on shipping document C2 - Damaged prior to shipment C3 - Damaged after shipment C4 - Not received C5 - Damaged or mutilated C6 - Incomplete improper or without authority (only when repair/return to property) <b>MISSING MATERIAL</b> M1 - Additional to shipping activity <b>OVERAGE/EXCESS SHIPMENTS</b> O1 - Quantity in excess of that receipt document O2 - Quantity in excess of that requested (MWR, Non-Item, etc.) <b>PACKING DISCREPANCY</b> P1 - Improper packaging P2 - Improper marking P3 - Improper unitization					<b>PRODUCT QUALITY DISCREPANCIES</b> Q1 - Defective material (Applicable to Good All Outlets) Q2 - Quantity less than that on receipt document Q3 - Quantity less than that requested (Other than via of Shipment) Q4 - Non receipt of great good shipments Q5 - TECHNICAL DATA MISSING (i.e., Name, Part, etc.) Q6 - Missing Q7 - Legible or mutilated Q8 - Preliminary operational markings missing Q9 - Inspection data missing or incomplete Q10 - Preliminary operating data missing or incomplete Q11 - Missing Q12 - Legible or mutilated Q13 - Preliminary operational markings missing Q14 - Inspection data missing or incomplete Q15 - Preliminary operating data missing or incomplete Q16 - Missing Q17 - Incorrect item requested/used as a separate copy in direct label Q18 - Incorrect item requested/used as a separate copy in direct label Q19 - Incorrect item requested/used as a separate copy in direct label Q20 - Incorrect item requested/used as a separate copy in direct label Q21 - See remarks					1A - Disposition instructions required (Apply as noted) 1B - Material being returned (See Remarks) 1C - Supporting supply documents requested 1D - Material still required expedite shipment (See applicable code) 1E - Local purchase material to be returned at ALBERT & Wayne within 10 days (Apply as noted) 1F - Material to be returned to the company (See applicable code) 1G - Material to be returned to the company (See applicable code) 1H - Material to be returned to the company (See applicable code) 1I - Material to be returned to the company (See applicable code) 1J - Material to be returned to the company (See applicable code) 1K - Material to be returned to the company (See applicable code) 1L - Material to be returned to the company (See applicable code) 1M - Material to be returned to the company (See applicable code) 1N - Material to be returned to the company (See applicable code) 1O - Material to be returned to the company (See applicable code) 1P - Material to be returned to the company (See applicable code) 1Q - Material to be returned to the company (See applicable code) 1R - Material to be returned to the company (See applicable code) 1S - Material to be returned to the company (See applicable code) 1T - Material to be returned to the company (See applicable code) 1U - Material to be returned to the company (See applicable code) 1V - Material to be returned to the company (See applicable code) 1W - Material to be returned to the company (See applicable code) 1X - Material to be returned to the company (See applicable code) 1Y - Material to be returned to the company (See applicable code) 1Z - Material to be returned to the company (See applicable code)			
13. FUNDING AND ACCOUNTING DATA													
14a. TYPED OR PRINTED NAME, TITLE, AND FACIL NUMBER OF PREPARING OFFICIAL					14b. SIGNATURE								
15. DISTRIBUTION ADDRESSES FOR COPIES													
364-103      7540-05-159-4442      (Previous edition is obsolete.) <b>STANDARD FORM 364 (REV. 2-80)</b> 15 APR 83													





# ***Reports of Discrepancy Limitations & Restrictions***

- **Any claim (except for non-shipment/ non-receipt of entire lot) received after 1 year from passage of title to article or scheduled performance of service are disallowed unless USG determines that circumstances involving latent defects justify consideration.**
- **Non-shipment/non-receipt of entire lot claims received after latter of 1 year from passage of title or 1 year from initial billing are disallowed.**
- **Discrepant articles returned to USG within 180 days.**



# ***Criteria: Time***

**Claim must  
be  
submitted  
within one  
year of  
title**

**transfer!**

**C.6.4.9.1**

## ***Letter of Offer and Acceptance***

***“Any claim (except for non-shipment/ non-receipt of entire lot) received after 1 year from passage of title to article scheduled performance of service are disallowed unless the USG determines that circumstances involving latent defects justify consideration. (LOA para 5.4)”***



# ***Criteria: Value***

**Claim must  
have a value  
of at least  
\$200,  
including  
transportation**

## ***Letter of Offer and Acceptance***

*"DoD will not accept claims related  
to items of \$200 or less for  
overages, shortages, damages, non-  
shipment, or non-performance."  
(LOA para 5.4)*

**SAMM  
C.6.4.9.2**

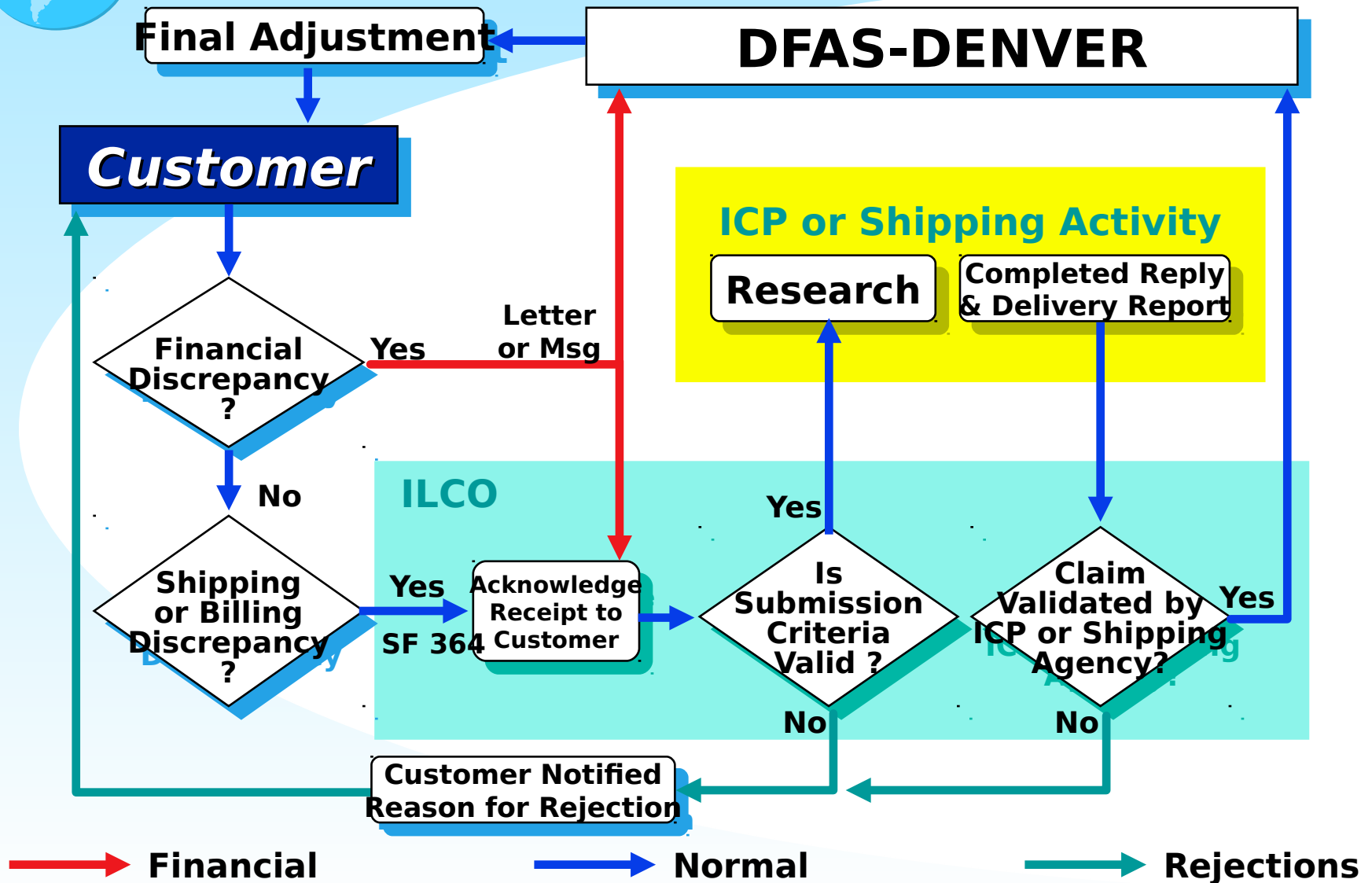


# ***Purchaser Review***

- **Research in-country records**
- **Verify type of discrepancy**
- **Estimate cause of discrepancy**
- **Determine channel of submission**



# SDR Process





Defense Institute of Security Assistance Management

# ***Discrepancy Reports***